

Genesee County

**Federal Awards
Supplemental Information
September 30, 2006**

Independent Auditor's Report	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-12
Notes to Schedule of Expenditures of Federal Awards	13-14
Schedule of Findings and Questioned Costs	15-16



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Independent Auditor's Report

To Members of the Board
Genesee County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Genesee County as of and for the year ended September 30, 2006, which collectively comprise the Genesee County's basic financial statements and have issued our report thereon dated March 2, 2007. Those basic financial statements are the responsibility of the management of the Genesee County. Our responsibility was to express opinions on those financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Genesee County's financial statements included the operations of the Planning Commission, which received \$521,966 in federal awards which is not included in the schedule during the year ended September 30, 2006. Our audit, described below, did not include the operations of the Planning Commission because they engaged other auditors to perform and audit in accordance with OMB Circular A-133.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Genesee County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

March 2, 2007



Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

To the Members of the Board
Genesee County, Michigan

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Genesee County as of and for the year ended September 30, 2006, which collectively comprise Genesee County's basic financial statements and have issued our report thereon dated March 2, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Genesee County Community Mental Health Services, as described in our report on Genesee County's financial statements. This report includes our consideration of the results of the other auditors testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the result of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Genesee County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We and the other auditors noted no matters involving the internal control over financial reporting and its operation that we and the other auditors consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Genesee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

March 2, 2007



Report on Compliance with Requirements Applicable to Each Major Program and
on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Members of the Board
Genesee County, Michigan

Compliance

We have audited the compliance of the Genesee County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The major federal programs of the Genesee County are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Genesee County's management. Our responsibility is to express an opinion on the Genesee County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Genesee County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Genesee County's compliance with those requirements.

Genesee County's financial statements included the operations of the Planning Commission, which received \$521,966 in federal awards which is not included in the schedule during the year ended September 30, 2006. Our audit, described below, did not include the operations of the Planning Commission because they engaged other auditors to perform and audit in accordance with OMB Circular A-133.

In our opinion, the Genesee County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the Genesee County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Genesee County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

June 19, 2007

Genesee County

Schedule of Expenditures of Federal Awards Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
Clusters:			
Child Nutrition Cluster:			
U.S. Department of Agriculture:			
Passed-through the Michigan Department of Agriculture: National School Lunch Program	10.555		\$ 94,426
Passed-through the Michigan Department of Education: Summer Food Service Program for Children	10.559	4266113300	221,036
Total Child Nutrition Cluster			<u>315,462</u>
Emergency Food Assistance Cluster:			
U.S. Department of Agriculture:			
Passed-through the Michigan Department of Education: Temporary Emergency Food Assistance Program (Admin)	10.568	25000-1010-C	210,354
Temporary Emergency Food Assistance Program (Commodity)	10.569	25000-1010-C	445,349
Total Emergency Food Assistance Cluster			<u>655,703</u>
WIA Cluster:			
U.S. Department of Labor:			
Passed-through the Michigan Department of Labor and Economic Growth:			
WIA Adult Program	17.258	AY-05	2,226,082
WIA Adult Program	17.258	AY-06	553,764
WIA Adult Program - Admin	17.258	AY-05	161,138
WIA Adult Program - Admin	17.258	AY-06	68,964
WIA A One Stop Operation	17.258	AY-05	157,733
WIA A One Stop Operation	17.258	AY-06	5,138
WIA Incumbent Worker	17.258	AY-05	126,037
WIA Capacity Building	17.258	AY-05	166
WIA Capacity Building	17.258	AY-06	70,846
WIA Youth Activities	17.259	AY-05	1,303,714
WIA Youth Activities	17.259	AY-06	340,646
WIA Youth Activities - Admin	17.259	AY-05	185,023
WIA Youth Activities - Admin	17.259	AY-06	77,527
WIA Dislocated Workers	17.260	AY-05	1,404,061
WIA Dislocated Workers	17.260	AY-06	454,284
WIA Dislocated Workers - Admin	17.260	AY-05	221,516
WIA Dislocated Workers - Admin	17.260	AY-06	110,981
WIA Rapid Response	17.260	AY-06	12,511
Total WIA Cluster			<u>7,480,131</u>

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
Homeland Security Cluster:			
U.S. Department of Homeland Security:			
Passed-through the Michigan Department of State Police:			
State Homeland Security Grant Program	97.004		6,000
State Homeland Security Grant Program	97.067		63,082
State Homeland Security Grant Program	97.067		646
State Homeland Security Grant Program	97.067		300,437
State Homeland Security Grant Program	97.067		32,737
State Homeland Security Grant Program	97.067		74,688
State Homeland Security Grant Program	97.067		21,904
Total Homeland Security Cluster			499,494
Other federal awards:			
U.S. Department of Agriculture:			
Direct Program:			
Headstart - School lunch program	10.558		4,628
Headstart - School lunch program	10.558		214,046
Headstart - School lunch program	10.558		6,110
Passed-through the Michigan Department of Community Health:			
Special Supplemental Food Program for Women, Infants and Children	10.557	XX4W1006	1,463,129
Passed-through the Michigan Department of Education:			
Child and Adult Care Food Program	10.558		14,537
Child and Adult Care Food Program	10.558		32,732
Commodity Supplemental Food Program (Admin)	10.565	25-CSF-1010	249,124
Commodity Supplemental Food Program (Commodity)	10.565	25-CSF-1010	1,146,611
Passed-through the Michigan Department of Labor and Economic Growth:			
Food Assistance Employment and Training	10.561	AY-06	236,000
Food Assistance Employment and Training	10.561	AY-06	2,951
Distance Learning Pilot Program	10.855		57,665
Passed-through Valley Area Agency of Aging:			
Food Donation	10.550		237,270
Total U.S. Department of Agriculture			3,664,803
U.S. Department of Commerce:			
Direct Program:			
Economic Development Administration Revolving Loan Program	11.307		-
Total U.S. Department of Commerce			-

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
U.S. Department of Housing and Urban Development:			
Direct Programs:			
Community Development Block Grant Program	14.218	B-01-UC-26-0001	(105,392)
Community Development Block Grant Program	14.218	B-02-UC-26-0001	152,886
Community Development Block Grant Program	14.218	B-03-UC-26-0001	(8,856)
Community Development Block Grant Program	14.218	B-04-UC-26-0001	1,293,581
Community Development Block Grant Program	14.218	B-05-UC-26-0001	634,689
Community Development Block Grant Program	14.218	B-06-UC-26-0001	35,720
Emergency Shelter Grants Program	14.231	S-03-UC-26-0001	5,003
Emergency Shelter Grants Program	14.231	S-04-UC-26-0001	4,227
Emergency Shelter Grants Program	14.231	S-05-UC-26-0001	58,120
Emergency Shelter Grants Program	14.231	S-06-UC-26-0001	6,895
Continuum Care II	14.235	MI28B105004	19,762
HUD Shelter Plus Care Program	14.238	MI28C105006	147,007
Shelter Plus Care Program	14.238		71,569
HOME Program	14.239	M-98-UC-26-0205	(25,000)
HOME Program	14.239	M-99-UC-26-0205	98,366
HOME Program	14.239	M-00-UC-26-0205	12,275
HOME Program	14.239	M-01-UC-26-0205	96,730
HOME Program	14.239	M-02-UC-26-0205	226,418
HOME Program	14.239	M-03-UC-26-0205	89,239
HOME Program	14.239	M-04-UC-26-0205	59,879
HOME Program	14.239	M-05-UC-26-0205	835,364
Passed-through the Michigan Department of Community Health:			
Housing Opportunities for Persons with AIDS - supportive housing	14.241	MI28H95 FO36	137,978
Lead Abatement Program	14.900	MILAG001994	90,000
Passed-through the City of Flint, MI:			
Emergency Shelter Grants Program	14.231		22,163
Emergency Shelter Grants Program	14.231		30,910
Passed-through Metro Housing Partnership:			
Supportive Housing Program - Traditional	14.235		193,723
Supportive Housing Program - Daily Living Skills	14.235		53,134
Supportive Housing Program - Operations	14.235		432,982
Supportive Housing Program	14.235	MI28B305002R	188,034
Supportive Housing Program	14.235	MI28B305004R	37,872
Supportive Housing Program	14.235	MI28B505004	32,807
Total U.S. Department of Housing and Urban Development			4,928,085

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
U.S. Department of Justice:			
Passed-through the Michigan Department of Community Health:			
VOCA - Victims of Crime Act	16.575	20545-6V01	41,106
Byrne Formula Grant Program	16.579	9XDBVX0026	75,590
Sobriety Court Grant	16.579	2036-1K02/SCAO-2203	22,484
Passed-through the Michigan Supreme Court:			
Drug Court Grant	16.738		140,143
Juvenile Justice and Delinquency Prevention	16.540		125,000
Passed-through the Michigan Department of Family Independence Agency:			
Juvenile Accountability Incentive Block Grant	16.523	JAIBG-05-25001	71,340
Juvenile Accountability Incentive Block Grant	16.523	JAIBG-06-25001	25,868
Total U.S. Department of Justice			501,531
U.S. Department of Labor:			
Passed-through the Michigan Department of Labor and Economic Growth:			
Employment Service	17.207	AY-05	626,393
Employment Service	17.207	AY-06	144,201
Trade Adjustment Assistance	17.245	AY-06	830,336
Reed Act Workfirst	17.unknown	AY-06	339,994
Total U.S. Department of Labor			1,940,924
U.S. Department of Transportation:			
Passed-through the Genesee County Road Commission:			
Highway Planning and Construction	20.205		3,686,976
Total U.S. Department of Transportation			3,686,976
Environmental Protection Agency:			
Direct Programs:			
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	BF-96569101-0	148,647
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	BF-96565501-0	12,176
Passed-through Michigan Department of Environmental Quality:			
Small Water Systems - Operator Certification Expense	66.471	PCA 79054	17,800
Drinking Water Revolving Fund	66.468	PCA 41867	26,050
Drinking Water Revolving Fund	66.468	PCA 41868	3,300
Total Environmental Protection Agency			207,973

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
U.S. Department of Energy:			
Passed-through the Michigan Family Independence Agency:			
Weatherization Assistance Program	81.042	DOE-05-25012	384,833
Weatherization Assistance Program	81.042	DOE-04-25012	247,183
Total U.S. Department of Energy			632,016
U.S. Department of Education:			
Passed-through the Genesee County Intermediate School District:			
Safe Schools/Healthy Students	84.184L		55,381
Passed-through the Flint Community School District			
Safe Schools/Healthy Students	84.184		40,517
Passed-through the Michigan Community Coordinated Child Care Association			
Child Care Expulsion Prevention	84.349		2,812
Total U.S. Department of Education			98,710
U.S. Department of Health and Human Services:			
Direct programs:			
Head Start	93.600		2,149,230
Head Start	93.600		11,403,674
Head Start	93.600		14,649
Head Start	93.600		141,619
Head Start	93.600		1,054,070
Head Start	93.600		181,065
Oral Health Grant 06	93.600		50,000
Oral Health Grant 06/07	93.600		143
Early Head Start	93.600		1,358
Early Head Start	93.600		33,191
REACH	93.945	U50/CCU522205-04	891,899
Healthy Start	93.926	H49MC00148-05-00	709,706
Passed-through the Michigan Department of Labor and Economic Growth:			
TANF - Work First	93.558	AY-06	7,722,738
Passed-through the Michigan Departments of Community Health, Mental Health, and Family Independence Agency:			
Project Grants and Cooperative Agreements for TB Control	93.116	U52 CCU500499	32,078
Homelessness (PATH)	93.150		91,500
SIG Connexion-Substance Abuse	93.243		48,621
Immunization - IAP	93.268	H23 CCH522556	206,227
Immunization - Vaccines	93.268	H23 CCH522556	1,932,843

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
Centers for Disease Control and Prevention - Breast & Cervical Cancer	93.283	U57 CCU506738	88,160
Centers for Disease Control and Prevention - Breast & Cervical Cancer	93.283	U58 CCU52282601	23,857
Bioterrorism Supplemental	93.283	CCU517018	350,542
Centers for Disease Control and Prevention - Smoking Prevention	93.283	U58 CCU52282601	50,000
Family Planning Services	93.217	05H000173	153,724
Childhood Lead Poisoning	93.197	H64 CCH507993	30,000
Childhood Lead Poisoning	93.197	IW10GH64EH00014101	10,000
Temporary Assistance to Needy Families	93.558	TANF-05-25012	124,296
Temporary Assistance to Needy Families	93.558	TANF-E-05-25012	26,000
Temporary Assistance to Needy Families	93.558	DEL-04-25001	175,862
FIA Child Support Enforcement -Title IV-D	93.563	CSFOC-06-25001	3,230,328
FIA Child Support Enforcement -Title IV-D - incentive	93.563	CSFOC-06-25001	831,332
FIA Child Support Enforcement -Title IV-D Medical	93.563	CSMED-06-25001	132,933
FIA Child Support Enforcement-Title IV-D	93.563	CSPA-06-25002	742,734
Low Income Home Energy Assistance	93.568	LIHEAP-04-25012	80,011
Low Income Home Energy Assistance	93.568	LIHEAP-05-25012	171,917
Low Income Home Energy Assistance	93.568	LCA-05-25012	14,228
Low Income Home Energy Assistance	93.568	LCA-06-25012	11,713
Community Service Block Grants	93.569	CSBG-06-25012	1,068,267
Community Service Block Grants	93.569	CSBG-F-05-25012	14,000
Community Service Block Grants	93.569	CSBG-T-05-25012	22,000
PROS Child Neglect/Abuse	93.658	PROFC-05-25001	28,700
Medical Assistance Program	93.778		408,230
Medical Assistance Program - case management services	93.778	5XX05MI5048	15,000
Medical Assistance Program - case management services	93.778	5XX05MI5048	102,145
Medical Assistance Program	93.778		85,558
Medical Assistance Program - managed care	93.778		480,408
Block Grants for Community Mental Health Services			
Wrap Serives Initiative	93.958		61,261
Family Psycho-Education	93.958		3,307
SED Respite	93.958		11,021
Juvenile Justice	93.958		65,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959		1,407,764
SAPT Block Grant	93.959		1,968,502
Preventive Health and Health Services Block Grant (STD)	93.991	BI MI PRVS	100,000
Preventive Health and Health Services Block Grant (STD)	93.991	BI MI PRVS	18,165

Genesee County

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2006

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures (Adjustments)
Maternal and Child Health Services Block Grant	93.994	BIMIMCHS	137,000
Maternal and Child Health Services Block Grant - Family Planning	93.994	BIMIMCHS	6,268
Maternal and Child Health Services Block Grant - Local MCH	93.994	BIMIMCHS	196,834
Maternal and Child Health Services Block Grant - case management services	93.994	BIMIMCHS	49,851
Maternal and Child Health Services Block Grant - CSHCS O & A	93.994		138,977
Preventive Health and Health Services Block Grant (STD)	93.997	H25 CCH504341	37,634
AIDS/HIV Prev. Counseling & Testing	93.940	U62-CCU52346401	55,770
Passed-through the Valley Area Agency of Aging: Special Programs for the Aging - Title III-C	93.635	GCCARD/SF-03	550,401
Total U.S. Department of Health and Human Services			39,944,311
U.S. Department of Homeland Security:			
Passed-through the United Way:			
Emergency Food and Shelter National Board Program	97.024		18,520
Emergency Food and Shelter National Board Program	97.024		44,030
Total U.S. Department of Homeland Security			62,550
Total Federal Financial Assistance			\$ 64,618,669

Genesee County

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2006

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Genesee County and is presented on the same basis of accounting as the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of OMB Circular A-133.

Summary of Noncash Assistance - The grantee received the following noncash assistance during the year ended September 30, 2006 that is included on the schedule of expenditures of federal awards:

Immunizations	\$1,932,843
Food commodities	1,591,960

Note 2 - Expenditures

"Expenditures" includes all accrual basis federal expenditures that result in the receipt of federal monies associated with the project as well as expenditures of program income.

Note 3 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

	<u>Amount</u>
Workforce Investment Act	\$6,863,987
Community Development Block Grant Program	1,676,341
Emergency Shelter Grants Program	61,129
HOME Program	1,279,469
Employment Service	770,594
Trade Adjustment Assistance	830,336
Reed Act Workfirst	339,994
Headstart	10,382,895
TANF	7,722,738
Block Grants for Prevention and Treatment of Substance Abuse	3,376,266

Genesee County

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2006

Note 4 – Economic Development Administration Revolving Loan Program

At December 31, 2006, the Economic Development Corporation of Genesee County has a business loan portfolio of \$224,367, net of estimated reserve and cash and investment holdings of \$751,704. All current year expenditures were funded via program income.

Note 5 - Adjustments and Transfers

During the year ended September 30, 2006, there were the following transfers of grant project expenditures:

<u>Transferred from</u>	<u>Amount</u>	<u>Transferred to</u>
Communitiy Development Block Grant - B-01-UC-26-0001	\$ 105,392	Community Development Block Grant - B-02-UC-26-0001
HOME Program M-98-UC-26- 0205	25,000	HOME Program M-01-UC-26- 0205

Other adjustments of \$8,856 resulted from a portion of Community Development Block Grant B-03-UC-26-0001 returned to HUD.

Genesee County

Schedule of Findings and Questioned Costs Year Ended September 30, 2006

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.260	WIA Cluster
14.218	Community Development Block Grant Program
20.205	Highway Planning and Construction
93.600	Headstart
93.558	TANF
93.268	Immunizations
93.563	Child Support Enforcement
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Genesee County

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2006

Section I - Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and type B programs: \$1,938,560

Auditee qualified as low risk auditee? X Yes No

Section II - Financial Statement Audit Findings

Reference Number	Findings
None	

Section III - Federal Program Audit Findings

Reference Number	Findings
None	